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The Authoritative Reference on Congress

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Capitol Quotes

● **PRESIDENTIAL DISABILITY** -- "The time is overdue for clearing up the historic snafu over Presidential inability.... I have proposed the establishment of a 10-member Presidential Inability Commission made up of representatives of Congress, the Judiciary and the Cabinet, with the Vice President as a non-voting Chairman.... I am convinced that the Commission proposal or some modification of it is the only plan which has a ghost of a chance of being enacted.... Those who talk of leaving this determination to the Vice President alone or to the Vice President and the Cabinet are not facing up to the political facts of life. My own belief is that the method is secondary and that the primary consideration is to do something." -- Rep. Kenneth B. Keating (R N.Y.) Dec. 4 statement.

"The Chief Executive's latest attack points up with increasing urgency the need for Congress to deal realistically with the difficult question of what to do if a President should become incapacitated.... Many factors are involved in a President's decision to veto a bill passed by the Congress or to approve an act by one of his agencies.... Ending the VA Direct Lending Program and raising FHA interest rates has contributed directly to the high cost of living for the average citizen. Who is to say whether the President, unburdened by the unfortunate, serious attacks of illness which he has suffered in the past two years, might not have given greater consideration to this vital economic problem....?" -- Rep. Elizabeth Kee (D W. Va.) Dec. 2 newsletter.

● **GAS BILL** -- "I have contacted the U.S. Conference of Mayors to urge renewed efforts to stop the dangerous gas bill.... Pro-price-increase forces are gathering and expect to hit 'early' and 'hard' to drive the measure through Congress. Reportedly, the gas bill is being used as 'bait' for vote-trading to get greater support for other special interest legislation. Regrettably, on the other side of the fence, the consumers' side, there has been almost no - and I stress no - activity on behalf of the public. If consumers are to be protected from sky-rocketing gas rates, we need to stir up grass roots protests." -- Sen. Alexander Wiley (R Wis.) Nov. 28 newsletter.

● **NATO CONFERENCE** -- "I hope that the dismal results of some previous conferences will have taught us not to expect too much of the Paris Conference. Geneva was billed by the State Department and much of the press as having achieved almost miraculous understandings between East and West.... We know now that Geneva was a monumental flop except, perhaps, as a shopping expedition. Much can be accomplished at Paris to rebuild the shaky NATO structure, but it can hardly do more than that. I hope that those responsible for reporting the conference are a bit more objective and honest this time." -- Rep. Frank Thompson Jr. (D N.J.) Dec. 13 newsletter.

● **VETERANS BENEFITS** -- "Rumblings around Washington indicate the Administration expects to recommend sharp reductions in many veterans benefits after Jan. 1, 1958.... Such a recommendation, will, no doubt, cause a conflict between the Administration and the Congress. There have been many complaints by veterans in the last few years about percentage reductions in disability ratings.... Many have suspected that a program has been in effect to reduce the benefits to veterans by gradually cutting down their percentage of disability.... Watch for some fireworks on this issue." -- Rep. Walter Rogers (D Texas) Dec. 5 newsletter.

● **COST OF LIVING** -- "In recent months the cost of living has been made a partisan political football.... To try to blame increases...on the Eisenhower Administration, however, ignores the historical record.... In the period from 1946 to 1952, during the Truman Administration, wholesale prices rose some 62.2 percent and consumer prices rose some 47.6 percent. In the five years since President Eisenhower took office in 1953 wholesale prices have risen only 5.4 percent and consumer prices only 6.7 percent. It is obvious that the sound fiscal policies of the Eisenhower Administration have gone far toward holding down the inflationary spiral. It would be interesting to speculate to what heights the price indices might rise if the fiscal policies advocated recently by the Democratic Advisory Council were ever put into effect. I suspect it is no understatement to say the roof would blow off the whole economy...." -- Sen. Frederick G. Payne (R Maine) Dec. 19 newsletter.

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REGIONAL CONTROL OF U.S. PROJECTS PROPOSED

Returning Congressmen -- beset with problems of the United States' role in a space-age world -- also are virtually certain to find themselves facing a new round in the old fight over development and control of the Nation's water resources. But the 1958 battle will have a new look; its goal will not be private ownership but regional ownership of Federally constructed water projects.

Hints of the forthcoming battle appeared in August, 1957, Senate debate over a bill authorizing the Tennessee Valley Authority to finance construction of power facilities by issuing its own revenue bonds. (Weekly Report, p. 978)

During the course of that debate, several Republican Senators contended that TVA -- and similar projects -- should be owned and controlled, not by the Federal Government, but by residents of the area served. They announced they intended to introduce legislation to that end in 1958.

Sen. Arthur V. Watkins (R Utah) was spokesman for the group. During the TVA debate Watkins gave this statement of the philosophy behind his regional ownership plan:

"I believe the Federal Government should not be anything more than the banker, in a way, for the (water development) projects which the people themselves could not build with their own resources, rather than go into the business of operation and maintenance of projects it builds.

"It has been proven that we get much better management and much closer supervision, with respect to expenditures particularly, when the people must foot the bills for management.... I believe after they (area residents) have paid for them, the assets of those river systems developments should belong to the areas where the people are located....

"I believe...(this policy should be followed) with respect to the Colorado, the Columbia, the Tennessee Valley and the Central Valley of California, and with respect to any of the areas where there are such developments constructed by the Federal Government."

Watkins' Proposal

Watkins sketched the broad outlines of the bill he said he planned to introduce. He reasoned that as long as the Federal Government retained title to TVA, "the control of the industrial and economic future of the Tennessee River region will rest right here in Congress. This control can possibly result in restrictive actions which may penalize the residents of that basin and submit them to the agonizing delays of the Federal legislative process."

For Watkins the first step toward local ownership and control was to place projects such as TVA on a "completely reimbursable basis." He proposed that Congress authorize the establishment of interstate water and power users' associations to operate and maintain development projects on interstate streams after they were built by the Federal Government. These associations would take over each major unit of a basin-wide development as soon as it

was completed. From project revenues the associations would repay the Federal Government for construction costs. In addition, they would pay interest on the cost of features relating to municipal water, industrial water and power development.

When an association completed its payments to the Government, the equitable title to the project concerned would pass from the Government to the association. "If that could be done," Watkins said, "then the people would have control of their own destinies. They would be entitled to have these great resources for their benefit. They would not be dictated to by Congress and the Administration in Washington, but they would have their own organizations, which would own and operate these giant projects for them."

81st Congress Bill

The procedure outlined by Watkins in August was similar to that set forth in a bill he introduced in 1950 (S 3376, 81st Congress). The 1950 bill was directed primarily toward the development of reclamation and flood control projects in the arid western states. It authorized the establishment of corporate entities to contract with the Federal Government for construction of such projects and for repayment of the costs. The Interior and Insular Affairs Committee took no action on the measure. In 1950 Watkins was junior Republican on the Committee; he now is second-ranking Republican.

Watkins envisaged his 1950 bill as a return to the policy of the original Reclamation Act of 1902. "In the early days," he said, "the Government contracted directly with the individual landowners and water users. As the program grew, this proved to be very cumbersome. To remedy this situation, irrigation districts and water users' associations were organized to represent groups of landowners and other water users in their dealings with the United States. Repayment contracts were signed either by the district or the association in behalf of the individual water users." Watkins said the policy was abandoned "in the hurry-up days of the depression when projects had to be started without contracts for the repayment of the costs in order to furnish employment."

Watkins also indicated how the proposal would apply to TVA: "In the case of TVA, the money (now) spent by TVA comes from appropriations and from the revenues of the TVA. Under such a system, the directors are appointed by the United States Government. In such case it might be that three entire strangers would come into the area...to govern or operate the projects. However, under the other system (proposed by Watkins) the citizens of that area and the REA and the other groups of that area would constitute the stockholders, along with the state representatives; and they, in turn, would take their stock in the association; and by that means, the officers to control the organization would be selected. That is the nearest it is possible to get to local control and ownership of interstate streams and power developments."

WILL CONGRESS STRENGTHEN SECURITY LAWS?

Various proposals to strengthen or otherwise modify the Nation's internal security laws await consideration by the 85th Congress in 1958. Prominent among these are the legislative recommendations of the Commission on Government Security, headed by Loyd Wright, which were set forth in its report of June 23, 1957. (Weekly Report, p. 767) Bills embodying these proposals were introduced June 27 in the Senate by Sens. John Stennis (D Miss.) and Norris Cotton (R N.H.), both of whom served on the Wright Commission, and June 24 in the House by Chairman Tom Murray (D Tenn.) of the Post Office and Civil Service Committee and Rep. Edward H. Rees (P Kan.), ranking minority member. Most of the Commission's proposals, as well as a number of other changes in security laws, are in an omnibus bill (HR 9352) introduced Aug. 19 by Rep. Francis E. Walter (D Pa.), Chairman of the House Un-American Activities Committee, also a member of the Wright Commission.

Wright Proposals

The Commission's main proposal would turn over to an independent Central Security Office authority to coordinate loyalty and security programs for Federal employees, and to conduct hearings upon request of applicants denied Federal jobs on security grounds or employees removed from their jobs on similar grounds. Such hearings are now the responsibility of individual Federal agencies, while the Civil Service Commission coordinates agency procedures.

The Administration is prepared to oppose the Central Security Office proposal as an unnecessary mechanism that would diminish the authority of department and agency heads in the employee security field. This authority was established in 1953 by Executive Order 10450, which remains the framework for the Federal loyalty-security program.

The Administration also is expected to oppose the Commission's proposal to transfer control over the issuance of visas from the Department of State to the Attorney General. State is strongly opposed, while the Department of Justice is favorable to the shift.

A third Commission proposal, from which Sen. Stennis dissented, called for a Federal wiretapping law that would permit the use of evidence gathered by wiretap in the prosecution of security cases. Under Section 605 of the Federal Communications Act of 1934, "no person not being authorized by the sender shall intercept and divulge or publish the meaning of such intercepted communication to any person." On Dec. 9, the Supreme Court reaffirmed its long-standing refusal to countenance the use of wiretap evidence in Federal courts, by reversing a lower court decision upholding the use of such evidence when gathered by state officials under state law. The Administration has requested a wiretap law on several occasions, and in 1954 such a bill passed the House. (1954 Almanac, p. 340).

The Commission also proposed an extension of the espionage laws to any person who "willfully communicates" secret information "with knowledge or reason to

believe that such information is so classified." In a separate statement, Chairman Loyd Wright indicated that this proposal was aimed at newsmen who purvey "information vital to national security, purloined by devious means." Wright's views were criticized sharply in the press and on Capitol Hill.

Walter Bill

All of the foregoing proposals are contained in Rep. Walter's omnibus bill, scheduled for hearings starting in January before the House Un-American Activities Committee.

Walter's bill contains, in addition, a number of other controversial proposals:

- A provision that no Federal law "shall prevent the enforcement in the courts of any state of any statute of such state prescribing any criminal penalty for any act, attempt or conspiracy to commit treason, espionage, sabotage, subversion or sedition." This would overcome the April, 1956, decision of the Supreme Court in the *Steve Nelson* case, invalidating state anti-sedition laws on the ground that the Federal Government had preempted the field.
- A provision barring any lawyer who is or has been in the previous five years a Communist from appearing as counsel before any executive agency or Congressional committee. Lawyers generally are opposed to such a restriction, aimed at a handful of attorneys who have represented Communists in loyalty hearings and Congressional investigations.
- A provision narrowing the definition of circumstances under which the Government must disclose confidential information in civil or criminal proceedings. The Supreme Court June 3 held, in the *Jencks* case, that a defendant is entitled to examine the reports of Government witnesses in an effort to impeach their testimony. Responding to the Attorney General's claim that the ruling imperilled the work of the FBI, Public Law 269, a compromise measure defining the procedure to be used in furnishing confidential reports was enacted. (Weekly Report, p. 1055)

Outlook

Congressional concern over internal security matters is considered at a low ebb by most observers. The Administration is satisfied generally with its statutory authority. Substantial changes of the type recommended by the Wright Commission do not enjoy significant support. The proposals for a wiretap law and for penalties against newsmen for disclosing classified information face strong opposition.

The House Civil Service Committee hopes, nevertheless, to secure enactment of a limited measure (S 1411) concerning the suspension of Federal employees as security risks. It is an attempt to overcome the Supreme Court's 1956 ruling (*Cole vs. Young*) which confined the right of summary suspension to sensitive positions. As passed by the Senate Aug. 8, S 1411 would make suspensions authorized by a 1950 law discretionary rather than mandatory.

AGRICULTURAL POLICY

COMMITTEE -- Joint Economic, Agricultural Policy Subcommittee.

BEGAN HEARINGS -- On a policy for commercial agriculture. (Weekly Report, p. 1307)

TESTIMONY -- Dec. 16 -- Theodore Schultz, chairman of the University of Chicago Economics Department, said agricultural policy "has gone to pieces" because the farm problem "is not what policy makers keep on saying it is." "The hard core of the U.S. farm problem is the surplus of human effort committed to farming," he said.

George H. Aull of Clemson College said the voluntary movement of farmers into industrial jobs would be one of the "quickest and least costly" means of bringing agriculture into balance with the rest of the economy.

Glen T. Barton, Agriculture Department economist, said increases in farm output during and since World War II "have tended to outrun the current demand for farm products."

Dec. 17 -- A panel of farm economists from the principal farming areas of the Nation said U.S. agriculture was moving toward bigger farms and fewer farmers. They said this shift in the farm economy called for accompanying adjustments towards greater production efficiency, more crop specialization and better financing and marketing methods.

Dec. 18 -- Everette B. Harris, president of the Chicago Mercantile Exchange, said that "farm policy, from an economic point of view, should rely on free market prices and treat social problems and political problems arising out of farming from a social and political, not economic, viewpoint." Harris suggested the Government acquire large areas of farm land currently planted to surplus crops. He said it would be cheaper than the soil bank and a workable means of cutting surpluses. He also suggested that Government subsidy payments, "or what have you, should be used to get people off farms -- not to freeze them on farms."

FOREIGN TRADE POLICY

COMMITTEE -- House Ways and Means, Foreign Trade Policy Subcommittee.

CONCLUDED HEARINGS -- On the foreign trade policy of the United States. (Weekly Report, p. 1309)

TESTIMONY -- Dec. 10 -- Patrick B. Healy, assistant secretary of the National Milk Producers Federation, in a prepared statement asked for quantitative controls on imports of milk and dairy products. He said the newly formed National Conference of Commodity Organizations would propose licensing legislation for farm imports.

Dec. 12 -- Representatives of the cotton textile industry opposed any lowering of trade barriers against foreign textile imports, particularly those of Japan. Witnesses included spokesmen for the American Cotton Manufacturers Institute, the Textile Workers Union of America (AFL-CIO) and the New England Governors' Textile Committee. Nelson A. Stitt, director of the U.S.-Japan Trade Council, said Japanese imports were not the threat the domestic industry pictured them to be. Domestic economic factors were a greater problem, he said.

UNION VIOLENCE

COMMITTEE -- Senate Select Committee on Improper Activities in the Labor and Management Fields.

RECESSED HEARINGS -- On alleged organized union violence in southern states. (Weekly Report, p. 1309)

TESTIMONY -- Dec. 17 -- Deputy State Fire Marshal Raymond Hixson of Hixson, Tenn., said Secretary-Treasurer Hubert L. Boling of Chattanooga Teamsters Local 515 had told him that \$18,500 had been passed to quash a 1951 indictment against 13 members of the Local, and that "there's not going to be any trial." Hixson said there was "quite a bit of talk" that the money went to Criminal Court Judge Raulston Schoolfield of Chattanooga.

Committee Investigator Lavern J. Duffy said Internal Revenue files contained a July, 1953, memorandum quoting Boling on passage of the \$18,500. Duffy said his investigators had evidence that Local 515 borrowed \$13,500 from the Teamsters' Southern Conference in June, 1951, that the check was dated July 5, 1951, and that Schoolfield July 6 postponed the trial indefinitely. Schoolfield in March, 1952, quashed the indictment, according to a Committee fact sheet, but the case was remanded to him by the state supreme court, and in July, 1953, Schoolfield issued a directed verdict of not guilty.

Glen W. Smith, president of both the Teamsters Joint Council No. 87 and Local 515 and one of the 13 defendants, invoked the Fifth Amendment when questioned about the money.

Chief Counsel Robert F. Kennedy said Schoolfield, a 1954 candidate for the Democratic gubernatorial nomination, had been invited to attend the hearing, but had not replied.

Dec. 18 -- James S. Galloway, a Chattanooga filling station operator, said he paid \$1,000 to a bondsman, Sam C. Jones, in June, 1954, after Jones told him he could get his grand larceny conviction "fixed." Galloway said that following the payment he was granted a new trial, convicted and sentenced, but paroled by Schoolfield. Jones said he gave the \$1,000 to Harold E. Brown, a Tennessee assistant attorney general and friend of Schoolfield. Brown said he gave the money to Schoolfield as a "campaign contribution," but was unaware it came from Galloway.

Chairman John L. McClellan (D Ark.) said the hearings had "revealed a pattern of wanton disregard of the law to a degree never before revealed to this Committee."

RELATED DEVELOPMENTS -- Dec. 13 -- McClellan, in a Chicago address, proposed legislative action to: define and prescribe basic standards for conducting union affairs; make welfare, pension and union funds trust funds; hold union officials to the same accountability as managers of banks, insurance companies and other institutions; and deny tax exemption privileges to any labor group not complying with prescribed standards.

Committee Member Karl E. Mundt (R S.D.) Dec. 14 said his group planned to investigate "many reports of improper activities on the part of the United Auto Workers Union."

DEFENSE DEPARTMENT REPRESENTATIVES TESTIFY ON MISSILES

COMMITTEE -- Senate Armed Services, Preparedness Investigating Subcommittee.

HELD HEARINGS -- On U.S. satellite and missile programs. (Weekly Report, p. 1280)

TESTIMONY -- Dec. 13 -- William M. Holaday, Defense Department Director of Guided Missiles, said the Department had directed the Air Force to step up development of its Atlas intercontinental ballistic missile. He estimated that annual appropriations for the Atlas would have to be raised by about one-third to finance the new effort. The original operational target date, he said, was "about 1965" and this had been "materially" advanced. Holaday also said the U.S. had the "ability" to put into orbit a 1,000-pound earth satellite like the second one launched by Russia and planned to do so at an unspecified time; the Defense Department had lifted restrictions on overtime work in plants and facilities engaged in missile production programs; the recent decision to put into production both the Jupiter and Thor intermediate range ballistic missiles had been taken despite completion of only 10 percent of the planned research and development work on them.

Secretary of the Army Wilber M. Brucker said the Army had missiles equipment "to begin launching small satellites almost immediately." He said 18 months of study by Army missile teams "convinced us that a defense against the ICBM was both technically and economically feasible." He said he thought the Army had a successful design for an anti-ICBM missile in the Nike-Zeus. Brucker opposed suggestions for the appointment of an over-all civilian missile-satellite czar. "It is much better to center this authority in the Secretary of Defense than to put another layer above him," Brucker said. Brucker also said he thought the Army should have responsibility for launching any missile from the ground, including satellites. (A Nov. 26, 1956, order limited the Army to missiles of a range up to 200 miles.)

Gen. Maxwell D. Taylor, Army Chief of Staff, said Russian ground forces were equipped with missiles and rockets "to which we have no response." He agreed with Brucker that an anti-ICBM missile could be successfully developed by the Army, added that the Army chief worry currently was a missile in the 200-1,500-mile range.

Lt. Gen. James M. Gavin, Army research and development chief, proposed a "break up of the Joint Chiefs of Staff" in order to "get better military advice to the Secretary" of Defense. He suggested replacing the Joint Chiefs with "senior officers of three-star and four-star rank" from all the services. Such officers never would return to their individual services, but might be assigned commands overseas. (Weekly Report, p. 1315)

Dec. 14 -- Maj. Gen. John B. Medaris, commander of the Army Ballistic Missile Agency, and Dr. Wernher von Braun, the Agency's German-born technical director, said the U.S. might soon be eliminated from the race for the conquest of space unless it produced a rocket much more powerful than any currently being developed. They said long-range missiles would come as a byproduct of satellites. Both witnesses complained of the lack of a central missile authority, of indecisiveness in the Pentagon and of failure to obtain sufficient funds for the Redstone and Jupiter missile projects. "Some place there has to be a man who can make a decision and can provide the resources to carry it out the same day," Medaris said.

Von Braun proposed the creation of a national space agency with an annual budget of about \$1.5 billion, but Medaris opposed such a step. Medaris said that although the Defense Department Nov. 27 ordered the Jupiter into production, the necessary money had not been provided. He said he "borrowed" some money from his research and development budget to get production underway. Von Braun blamed a maze of committees for the difficulty in obtaining decisions from the Defense Department.

Navy Secretary Thomas S. Gates said the Soviet threat demanded "a deployment of more of the national striking capability from land to the high seas." Adm. Arleigh M. Burke, Chief of Naval Operations, said development of the IRBM Polaris, to be fired submerged from nuclear submarines, was being speeded.

Dec. 16 -- Garrison Norton, Assistant Secretary of the Navy for Air, said that instead of trying to win control of outer space the U.S. should concentrate on "the Number 1 business" -- developing a ballistic missile "to get a warhead from here to its target with accuracy." Norton said a budgetary "straight-jacket" placed on the Navy by the Defense Department had "seriously hampered" missiles research and development.

Rear Adm. W. F. Raborn, Naval Director of Special Projects, said the development of Polaris recently had been aided by some "most significant technological breakthroughs."

Dec. 17 -- Air Force Secretary James H. Douglas said the Atlas ICBM would be operational in about two years. Asked whether he thought priority should be given to ballistic missiles or to conquest of space, Douglas said he would give both overriding priority, but that in case of conflict he would give missiles the edge.

Gen. Thomas D. White, Air Force Chief of Staff, said there had been no Pentagon decision on his request for funds to speed up the development of the Titan, an ICBM. He said he received nearly all the money he requested to push production of the ICBM Atlas and the IRBM Thor.

Gen. Curtis E. LeMay, Air Force Vice Chief of Staff, said his chief concern was a lack of readiness in the manned-bomber program, which he called "the main deterrent to war today." He said he thought the U.S. still held the edge over Russia in air striking power, including missiles. But he said the Russian momentum was such and the "lead time" in developing new weapons so long that he doubted anything short of all-out war would prevent them from forging ahead. Citing a shortage of money for the Strategic Air Command, LeMay said that during the last five weeks of fiscal 1957 a majority of SAC long-range bombers were grounded "for lack of gasoline."

RELATED DEVELOPMENTS -- Dec. 13 -- Douglas temporarily suspended a Dec. 10 Air Force order establishing a Directorate of Astronautics. The order had been criticized by Holaday and Deputy Secretary of Defense Donald A. Quarles, who asked the Air Force to delay its action until the Defense Department created its own office to direct space programs of all the armed services. Douglas said the order was issued "prematurely" as the result of a misunderstanding.

Dec. 17 -- The Air Force successfully fired an Atlas ICBM. Designed to travel 5,500 miles, the Atlas tested made a controlled flight of "several hundred miles" and "landed in its pre-selected impact area," according to the Defense Department.

SHOULD THERE BE ONE U.S. ARMED SERVICE?

Increasing criticism of alleged instances of inter-service rivalry retarding the development of missiles has renewed calls for greater unification of the armed services. Testimony before Sen. Lyndon Johnson's (D Texas) Armed Services Preparedness Subcommittee has suggested that Congress consider further steps in 1958 to bring about greater unification. Johnson's probe into the Nation's military readiness in the light of recent Soviet accomplishments led off Nov. 25 with a proposal by Dr. Vannevar Bush, director of the Office of Scientific Research and Development during World War II, that military policy be entrusted to a central planning board composed of officers and civilians. (Weekly Report, p. 1280) Bush was followed Nov. 26 by Lt. Gen. James H. Doolittle (ret.), who said:

"I do not believe that the present system is properly designed to employ with maximum effectiveness and minimum cost some of our new weapons and concepts.... It may be that we are headed toward a single service in one uniform. I do not advocate it at this time, because I have not had an opportunity to study the entire matter through to conclusion.... Some day, I believe that we will have to have an old-type general staff, with a head.... We may not be ready for that, because there is a great fear, which I consider unwarranted, of a military hierarchy."

Doolittle advocated, as "a first step," authority to strengthen the office of the Secretary of Defense. "He should be provided with an advisory military staff to assist him in resolving the honest differences of opinion that now occur between dedicated military people."

Lt. Gen. James H. Gavin, Army research and development chief, Dec. 13 said the Joint Chiefs of Staff should be replaced with a general staff. (Weekly Report, p. 1311)

Wartime experience with combined operations convinced many military leaders that the long-standing War and Navy Departments must be reorganized in the interests of greater coordination between the services. "If I had my way," Gen. Dwight D. Eisenhower said June 20, 1945, American servicemen "would all be in the same uniform." But he doubted that "Congress and the Big Brass would ever agree to that."

The War Department, under Secretary Robert Patterson, pressed for a merger of the services under a Secretary of Defense with clear-cut command authority, assisted by a military chief of staff who would issue orders directly to the services. Secretary of Navy James Forrestal supported a loose federation of the services.

Congress adopted the Federation approach in drafting the National Security Act, enacted July 26, 1947. This created the National Military Establishment, consisting of the Departments of the Army, Navy and Air Force, and headed by a Secretary of Defense. The three service departments remained executive agencies, however, while the Secretary of Defense "shall not establish a military staff" other than the Joint Chiefs of Staff.

Powers of the Secretary of Defense were strengthened in the National Security Act Amendments of Aug. 10, 1949. These replaced the National Military Establishment with

Eisenhower on Unification

"When I became Chief of Staff upon my return from Europe in November of 1945, I felt that all our war experience had rendered obsolete the defense organization then existing. I was convinced then, as I am today, that effective coordination of the services in war requires central planning in time of peace. This is the essence of unity in the Armed Forces."

"That unity must also extend to the procurement and administration of all the costly material and paraphernalia of modern warfare. It was the hope and expectation of all of us who worked to achieve the passage of the National Defense Act of 1947, that this kind of unity was in the making. This has not proved to be the case."

"Such unity as we have achieved is too much form and too little substance. We have continued with a loose way of operating that wastes time, money and talent with equal generosity. With three services in place of the former two still going their separate ways, and with an over-all defense staff frequently unable to enforce corrective action, the end result has been not to remove duplication but to replace it with triplication." (From a speech delivered Sept. 25, 1952, in Baltimore by then Gen. Eisenhower, as Republican candidate for President.)

the Department of Defense, an executive agency; removed the three service Secretaries from the Cabinet and from direct access to the President; made the Secretary of Defense "the principal assistant" to the President on defense matters and gave him "direction, authority, and control" over the services; added a non-voting chairman to the Joint Chiefs of Staff; and centralized budget and fiscal responsibility.

With the Korean war, defense spending increased rapidly, drawing attention to wasteful procurement practices and other evidence of inefficiency in the Defense Department. As the 1952 Republican candidate, Gen. Eisenhower scored the failure to achieve unification (see box). As President, he set up a Committee on Department of Defense Organization, headed by Nelson A. Rockefeller. Most of its proposals were embodied in Reorganization Plan No. 6, sent to Congress April 30, 1953. Although criticized in the House as a change leading to "military dictatorship," the plan was allowed to go into effect June 29. (1953 Almanac, p. 293)

The plan abolished the Munitions Board and the Research and Development Board; gave the Secretary of Defense six additional Assistant Secretaries; gave the Chairman of the Joint Chiefs authority to manage the Joint Staff and select its members; and made selection of the Director of the Joint Staff subject to approval of the Secretary of Defense. These are the last substantial changes made in Department organization.

Air Power Hearings

The pros and cons of greater unification in the Defense establishment were last explored by Congress in 1956, during hearings on air power before a Senate Armed Services subcommittee headed by Sen. Stuart Symington (D Mo.). Excerpts from the testimony:

• Dr. J. R. Killian Jr., president of Massachusetts Institute of Technology, who was named Special Assistant to the President Nov. 7, 1957: "One thing is abundantly clear. The military task no longer divides up neatly into three mission areas, defined by the vehicle the fighting man rides in.... I do not suggest that this means complete unification of the three services. I do suggest that in dealing with air defense, with intercontinental ballistic missiles, and other great weapons systems we must create the organizational patterns which will make it possible, first, effectively to develop them without wastage of manpower and resources and unprofitable duplication of effort, and, secondly, to manage them in terms of their wholeness as systems."

• Army Secretary Wilber M. Brucker: "The three services have roots in great tradition. They are independent. They have a lot of esprit and a lot of morale. How to preserve that and yet at the same time to get the benefits of team play, that is the problem. I don't believe, from my observation of the situation, that merely changing the caps or the colors of the uniforms can do it. I don't believe that mere merger would accomplish it. It would bring about more problems than it would solve.... I believe unification is making progress and that the hastening is by functions."

Radford, Twining

• Admiral Arthur W. Radford, then Chairman of the Joint Chiefs of Staff: "My personal opinion is that (a single service) would not solve anything. We could all go in the same uniform and we would still have compartmentation within this single uniform.... We could go to a single chief of staff with an all-powerful authority exercised from the Pentagon, but unless Congress were willing to change its methods, you would still have these arguments come up to Congress. It is easy for any individual and any service to contact some particular Member of the Congress and explain some situation he does not like, and very often that will result in some kind of an investigation. I think it is a healthy thing. But then if it is healthy, we should not be criticized for having differences of opinion within the organization."

• Gen. Nathan F. Twining, then Air Force Chief of Staff, now Chairman of the Joint Chiefs: "You will have ills either way, but I do lean toward a single service.... I think it would enable issues to crystallize and be settled promptly when they come up between the services.... However, I still feel that the three services watching each other is a pretty healthy thing, because no one can get really off the beam. With a single service you might get a sort of military dynasty built up that could make a real bad mistake for the United States.... As it is now, the Navy and the Army are watching me like a hawk.... I am watching the Navy and the Army, too, so you do have a system of controls. But that can also lead to lack of development, too, and that is dangerous for the country."

• Former Secretary of Defense Charles E. Wilson said, June 11, 1957, that the alternative to the existing organization of the armed forces "would be the over-concentration of power and authority in the hands of one or two men. This would risk a form of dictatorship in which we do not believe. The kind of unified organization with increased power at the top some people are advocating in the name of efficiency would make possible mistakes and abuses that would more than offset any potential gains in effectiveness."

Current Proposals

"The time has come for the President to appoint a commission to examine the structure of the Defense Department," Sen. Francis Case (R S.D.) told the Senate Aug. 12, 1957. It should consider five questions:

"First. Are we slipping into a dangerous Maginot-line type of defense planning, as is evidenced by the millions of dollars being spent on point defense systems?"

"Second. Is it too expensive to let each service interpret its roles, as witness the military rivalries (over missile development)?"

"Third. The commission should consider whether we are wasting the abilities of outstanding men by the natural limitations on interservice use of personnel...."

"Fourth. Should the airlift be transferred to the Army? Or should the Army become an integral part of a land-based air wing of the armed services?..."

"Fifth. What economies can be achieved by further joint use of procurement, storage, hospitalization, transportation, and other facilities of a common character?"

Case plans to press his proposal when Congress reconvenes in January. Support for some such study of the unification issue may emerge from the current probe by Sen. Johnson's Preparedness Subcommittee.

J. Sterling Livingston, Harvard Business School professor, puts forward a more extreme proposal in the forthcoming issue of the Harvard Business Review. He suggests that funds and responsibility for weapons development be divorced from the Defense Department and given to a civilian agency, on the pattern of the Office of Scientific Research and Development during World War II. He argues that the problem of planning the weapons to be needed 10 or 20 years in the future is "contrary to the military's traditional, and indeed appropriate, mission of maximum immediate readiness." Anything less than such a drastic new approach will fail, he said, since "reorganizing the military services is like kicking a 200-foot sponge around."

New Research Agency

The Administration is planning shortly to create an Advance Research Projects Agency within the Pentagon. The agency would be headed by a civilian, and would have direction of such existing projects as the satellite and anti-missile missile programs, as well as longer-range efforts to design space platforms and other futuristic items. Among reasons cited for establishing the new agency is the need to gain control over duplication of research efforts and interservice rivalry. Such a move also might serve to head off or delay Congressional consideration of proposals for a more fundamental resolution of the problems arising from the absence of true unification in the defense establishment.

NUCLEAR TEST BAN

Proposals to end nuclear weapons tests, made Nov. 28 by Indian Prime Minister Jawaharlal Nehru and Dec. 10 by Soviet Premier Nikolai A. Bulganin, were turned aside by President Eisenhower and the State Department.

The President, in a Dec. 15 reply to Nehru's appeal for both Russia and the United States to halt all tests as proof of their peaceful intentions, said such a step "is a sacrifice which we could not in prudence accept." The President renewed the general disarmament proposals of the Western allies in his reply, which was cabled from Paris where he was attending the NATO Conference. (For text, see p. 1321)

The President Dec. 10 received a 15-page letter from Bulganin, proposing both an end to all nuclear weapons tests as of Jan. 1, 1958, and an East-West conference. State Department Press Officer Lincoln White Dec. 11 said he thought it could be assumed "that the timing of the delivery of the letter and the intention of the Soviet Union to publish it would indicate an intention to influence the proceedings at the NATO Conference."

Adlai E. Stevenson Dec. 12 said he hoped "our response to Mr. Bulganin's letter will be affirmative in spirit."

DAIRY PRICE SUPPORTS CUT

Secretary of Agriculture Ezra Taft Benson Dec. 18 announced that price supports for dairy products would be cut to 75 percent of parity, the legal minimum, beginning April 1, 1958. Current support rates are 83 percent of parity for milk used for manufacturing purposes and 80 percent of parity for butterfat. Benson said the cut had been recommended by the 18-member National Agricultural Advisory Commission and the five-man advisory board of the Commodity Credit Corp. He said dairy price supports had cost \$379 million in the past year, and the cut should reduce consumers' prices.

Benson's announcement was attacked by many dairy state Members of Congress. Sens. William Proxmire (D Wis.) and Edward J. Thye (R Minn.) said they would introduce legislation to maintain the price supports at existing levels.

AEC POLICIES

The Joint Atomic Energy Committee Dec. 12 released a Dec. 6 letter from Atomic Energy Commission Chairman Lewis L. Strauss accepting a proposal by Committee Chairman Carl T. Durham (D N.C.) for a series of joint "informal sessions" to clarify policies and objectives of the atomic power development program. Strauss said passage of time and "the consequent change in circumstances" required "both periodic review and continual justification" of the AEC program. He added, however, that he had "not noted in others the degree of uncertainty" on the program which Durham apparently had. (Weekly Report, p. 1279)

REP. COOPER DIES

Rep. Jere Cooper (D Tenn.), 64, Dec. 18 died of a coronary thrombosis at the Bethesda (Md.) Naval Hospital. Cooper had represented Tennessee's 8th District since 1929. He was Chairman of the House Ways and Means Committee and the Joint Committee on Internal Revenue Taxation and was considered an outstanding Congressional authority on tax matters. He was unopposed in his bid for reelection in 1956. Rep. Wilbur Mills (D Ark.) will replace Cooper as Ways and Means Committee Chairman.

RECIPROCAL TRADE EXTENSION

Three citizen advisers, in a Dec. 17 report to the White House, endorsed an Administration proposal to extend the Reciprocal Trade Agreements Act for five years. The advisers, all members of the U.S. delegation at the recent meeting of the General Agreements on Tariffs and Trade, were Andrew J. Biemiller, legislative director of the AFL-CIO; H.J. Heinz II, and Arthur B. Evans, a member of the National Agricultural Advisory Council.

NIXON'S VIEWS

Vice President Richard M. Nixon, in Dec. 15 and 16 addresses, expressed his views on civil rights, the public school system and defense spending.

Nixon, in a Dec. 15 address after he received a civil rights award from Task Force '57, a division of the New York Republican State Committee, said the civil rights battle must be "non-political and non-partisan." He said "the Republican party would lose its self-respect and right to exist if it ever compromised on the basic issue of the rights of man." Speaking later at an anniversary dinner of Yeshiva University, Nixon said there was need for better teachers with "the salary, prestige and backing to enable us to attract the best minds to this honored profession...." He stressed responsibility of parents and warned against "undue emphasis" on science training.

Speaking in Washington Dec. 16 at an Air Force Assn. missiles and satellites seminar for newsmen, Nixon said the United States had not lost its "over-all military advantage." As to defense spending, Nixon said "we can spend all we need to spend for national defense, but we should spend only as national defense needs indicate."

LITTLE ROCK INTEGRATION

Secretary of the Army Wilber M. Brucker Dec. 13 announced that the federalized National Guard on duty in the Little Rock, Ark., integration impasse Dec. 18 would be reduced from 950 to 432 because the situation "remains stable and warrants further reduction." The Guardsmen were federalized Sept. 24, and have been the only soldiers on duty since the Nov. 27 withdrawal of all regular Army troops. (Weekly Report, p. 1262)

Presidential Report

PRESIDENT GIVES NEHRU HIS VIEWS ON NUCLEAR WEAPONS TESTING

Following is the text of a Dec. 15 cable from President Eisenhower to Prime Minister Jawaharlal Nehru of India. The cable was a reply to Nehru's Nov. 28 appeal to Russia and the United States to "stop all nuclear test explosions:"

(Soviet Premier Nikolai Bulganin, in letters to Mr. Eisenhower and Nehru, Dec. 10 proposed an agreement by the U.S., Great Britain and Russia to end nuclear testing as of Jan. 1, 1958 Weekly Report, p. 1317)

Dear Prime Minister:

I have read with great sympathy your earnest and eloquent public appeal of Nov. 28 on disarmament. This is a matter which has also concerned me deeply for a very long time.

In the days immediately following the end of World War II, the United States proposed that the dreadful power of the atomic bomb, which we alone then possessed, be forever denied all nations. We hoped, instead, that the wonders of the nuclear age could be devoted wholly to the uses of peace. This plan was refused and we were left with no choice but to maintain our armed strength. Since this time the United States has continued an unrelenting effort to achieve a just system of disarmament and a secure peace for all nations. We have repeatedly stated our readiness, indeed our anxiety, to reduce the possibility of war through arms regulation and control, to stop tests of nuclear weapons, and to devote a part of our huge expenditures for armaments to the great causes of mankind's welfare. Our only concern is that these measures be accomplished in a way that will not increase the risk of war or threaten the security of any nation. We earnestly believe that the plan which we joined with the United Kingdom, France and Canada in suggesting at the London disarmament talks on Aug. 29 offers a meaningful opportunity for removing fear and gaining international trust. It is a source of great personal regret to me that these proposals have not so far been found acceptable by the Soviet Union even as a basis for negotiations.

In these circumstances, I have been able to reach no other conclusion than that, for the time being, our security must continue to depend to a great degree on our making sure that the quality and quantity of our military weapons are such as to dissuade any other nation from the temptation of aggression. The United States, I can assure you unequivocally, will never use its armed might for any purpose other than defense.

EISENHOWER SALUTES FRANCE ON PARIS ARRIVAL

Following is the complete text of President Eisenhower's Dec. 14 statement upon his arrival in Paris to attend the conference of NATO heads of state:

After an absence of more than five years, once again I step on the soil of France. From the beginning of America's national existence, France has had a large and special place in the affection of my countrymen. At this moment I am stirred and inspired by the memories of the great personalities and dramatic events of French history. Wisdom, gallantry and honor have enriched and embellished France's successes in war and peace. And through faith and greatness of heart, she has always emerged from every test, no matter how stern, a brilliant and strong leader of Western culture and civilization.

Of all the many great days of France, the one that lives brightest in my heart, and will remain forever indelible in my

I know that the subject of testing of nuclear weapons is of understandable concern to many. I have given this matter long and prayerful thought. I am convinced that a cessation of nuclear weapons tests, if it is to alleviate rather than merely to conceal the threat of nuclear war, should be undertaken as part of a meaningful program to reduce that threat.

We are prepared to stop nuclear tests immediately in this contest. However, I do not believe that we can accept a proposal to stop nuclear experiments as an isolated step, unaccompanied by any assurances that other measures -- which would go to the heart of the problem -- would follow. We are at a stage when testing is required particularly for the development of important defensive uses of these weapons. To stop these tests at this time, in the absence of knowledge that we can go on and achieve effective limitations on nuclear weapons production and on other elements of armed strength, as well as a measure of assurance against surprise attack, is a sacrifice which we could not in prudence accept. To do so could increase rather than diminish the threat of aggression and war. I believe that bolder and more far-reaching measures are required. Specifically, I believe that any government which declares its desire to agree not to use nuclear weapons should, if they are sincere, be prepared to agree to bring an end to their production.

Agreement to devote all future production of fissionable material to peaceful uses is, as I see it, the most important step that can be taken. Together with this we have proposed that we begin to transfer to peaceful uses, on a fair and equitable basis, fissionable material presently tied up in stocks of nuclear weapons. We believe this is the way to a true reduction of the nuclear threat and to an increase in confidence among nations. So far we have not had a reasonable explanation from the Soviet Union of whatever objections it might have to this program.

I agree that it is in the power of my country along with those others who possess nuclear weapons to put an end to the fear and horror which the possibility of their use imposes. I want to assure you with all the sincerity of which I am capable that we stand ready, unbound by the past, to continue our efforts to seek a disarmament agreement, including the cessation of nuclear testing, that will promote trust, security and understanding among all people.

Sincerely,
Dwight D. Eisenhower.

life, was that August day in 1944, when, after four long years, Paris again knew freedom and the joy that freedom brings. That day is now more than 13 years in France's past. The record of France's accomplishment since the liberation of Paris is signalized by her visible progress in culture, in art and in industrial productivity. Above all else, it is signalized by her indestructible sense of destiny, and her readiness to meet the problems of the present and future.

Today we live in one of those periods of test not only for France but all of France's friends and allies, my country among them. It is for us, together, to determine whether men shall continue to live in freedom and in dignity or whether they are to become mere vassals of an all-powerful state.

France was one of the first to have the imagination and courage and wisdom which led to the founding of the defensive shield we

know as NATO. She recognized that only in true partnership could the free nations develop and maintain the spiritual, economic and military strength needed to neutralize the despotic and continuing threat from the East. The heads of NATO are meeting in this beautiful Paris to analyze the challenge we now face. We shall meet it effectively. We shall meet it in unity.

We all know that fear alone has neither the power nor the nobility to fulfill the ultimate destiny of the Atlantic community. Therefore, we shall be striving not only to strengthen the NATO shield, but we shall also address ourselves to other aspects of our alliance. We are all confident that in the supreme strength of balanced unity we can move together toward security and peace. In these days of trial, it is good not only to think seriously, but to think gallantly, to think in faith.

So, I salute once more all the people of France. I bring my personal greetings to my friends -- tested and true friends

PRESIDENT EISENHOWER OPENS NATO MEETING WITH CALL FOR UNITY

Following is the text of a Dec. 16 speech by President Eisenhower to the North Atlantic Council at Paris, the first speech of the session:

I am here to continue, with you, NATO's work for a just peace. I meet with you in Paris -- my friends of many years, colleagues in sharing heavy responsibilities and bright opportunity.

This meeting is unique in NATO history. For the first time it is attended by heads of governments.

We meet, not under a chilling fear that each nation among us, acting separately and alone, might fail to match the aggressive power that could be brought against any.

That was once true.

We meet, not in any dreadful knowledge that our cities are again, by conflict, scarred and painfully marked, our economies strained, our peoples worn from a war against totalitarianism.

Again, that was once true.

Most certainly, we do not meet in a mood of nationalistic self-assertion, pursuing selfish interests at the expense of our sister nations.

That has never been true of NATO.

We are here to rededicate ourselves to the task of dispelling the shadows that are being cast upon the free world. We are here to take store of our great assets -- in men, in minds and in materials. We are here to find ways and means to apply our undoubted strengths to the building of an ample and safer home for mankind here on earth.

A TIME FOR GREATNESS

This is a time for greatness.

We pray for greatness in courage of will to explore every path of common enterprise that may advance the cause of justice and freedom.

We pray for greatness in sympathy and comradeship, that we may labor together to end the mutual differences that hamper our forward march within a mutual destiny.

We pray for greatness in the spirit of self-sacrifice, so that we may forsake lesser objectives and interests to devote ourselves wholly to the wellbeing of all of us.

We pray for greatness of wisdom and faith that will create in all of us the resolve that whatever measures we take will be measures for peace.

By peace, I do not mean the barren concept of a world where open war for a time is put off because the competitive war machines, which humans build, tend mutually to neutralize the horrors they create.

Nor by peace do I mean an uneasy absence of strife bought at the price of cowardly surrender of principle. We cannot have peace and ignore righteous aspirations and noble heritages.

The peace we do seek is an expanding state of justice and understanding. It is a peace within which men and women can freely exercise their inalienable rights to life, liberty and the pursuit of happiness.

who have been my comrades in war and in peace. I have for them, and for all France, that profound feeling of gratitude that comes from successfully sharing with them the crises of war, the problems of peace. All nations have their own great words or mottoes, words that are timeless and a symbol of a nation's heritage. As we begin our NATO's deliberations tomorrow I shall be thinking of France's greatest words -- liberty, equality, and brotherhood. They have as much meaning today as they had at the founding of the republic.

These three words could fittingly be emblazoned on the shield of NATO. It is the liberty of all of us that NATO is pledged to defend. It is a pledge made among equals. It is a pledge made in the spirit of that true brotherhood which sealed an alliance unique in history. That alliance forever seeks the security of each of its nations, and of all the free world. Above all, it seeks peace, with justice and with honor.

In it mankind can produce freely, trade freely, travel freely, think freely, pray freely.

The peace we seek is a creative and dynamic state of flourishing institutions, of prosperous economies, of deeper spiritual insight for all nations and all men.

NATO was born nearly 10 years ago. Eight European nations had then come under Soviet domination and there was clear danger that the rest of Europe might, nation by nation, fall before the powerful military and political influence of the Soviet Union.

NATO has proved itself as an agency of peace. Since it came into being no further nation of Europe has been lost to Communist aggression. Behind the barrier of NATO's deterrent power, conventional and nuclear, the people of the West have made great advances.

Here on the Continent of Europe there has been achieved a progress toward unity, in terms of the Coal and Steel Community, Euratom and the common market. Thus it justified the vision of statesmen and provided a new stimulus to vast creative forces long enfeebled by irrational divisions. Everywhere the people of the West have attained new levels of economic prosperity.

We see in Europe and in America the vitality of our factories and mills and shipping, of our trading centers, our farms, our little businesses, and our vast industrial complexities. And above and beyond these material values are those moral and spiritual strengths which cannot be gauged by finite measurement.

SATISFACTORY, NO COMPLACENCY

We can take satisfaction from the past, but no complacency in the present. The Soviet state daily increases its military and economic power, and its rulers make clear their purpose to use that power to dominate the world.

To this end the Soviet system imposes upon the great mass of its workers a harsh discipline. Their lot is of forced labor and production, which is as abhorrent as it is menacing, for it provides the despotic state with vast resources produced out of serfdom.

Thus there is emphasized the production of new weapons, including atomic warheads and rocketry. The Communists likewise have enlarged their industrial capacity. They challenge us to a world contest in the economic field, seeking by economic penetrations to gain the mastery of still more human and material resources.

These are some of the problems that confront us. The presence here of heads of governments proves that we recognize the magnitude of the challenge.

At a later meeting this council will consider proposals for specific measures for raising the level of our collective effort. But, I repeat, that whatever measures we take will be measures for peace.

This peace we seek will not be had for nothing. Indeed, its price will be high. But it need not dismay us. Our free peoples possess ample resources wherewith to meet every threat.

The only question is, will we do so? Will we, in freedom, pay the price necessary to preserve freedom?

NATO RESOURCES

Let us glance at our resources. The 15 NATO countries comprise nearly 500,000,000 people. These people have a per capita productivity about three times that of the Soviet Union. Our scientists and technicians were the inventors of what now revolutionizes the arts both of war and of peace. We possess what is, today, the most powerful military establishment in the world.

These are some of our material assets. Even more important are the political and moral assets that are national heritages.

We have demonstrated a will for world disarmament and the peace that all men want.

Following World War II, the free nations, without awaiting disarmament agreements, voluntarily disarmed themselves.

When the West possessed an atomic monopoly, we offered to dedicate it to international control, so that the fearsome power could never be used for war.

CONCEIVED 'ATOMS FOR PEACE'

We conceived and developed the concept of "atoms for peace." The International Atomic Energy Agency, now functioning at Vienna, is a product of our imagination and persistence.

Western nations proposed "open skies" so that no nation could mount a massive surprise attack against another.

At London last summer we proposed that there should be an end to manufacture of fissionable material for weapons purposes, that therefore nuclear weapons should no longer be tested, and that existing nuclear weapons stockpiles should be reduced by transfers to peaceful purposes.

We have demonstrated a will for the spreading of the blessings of liberty. Within the last 15 years our nations have freely granted political independence to 20 countries with populations totaling 800,000,000 peoples.

Within our societies we manifest, so that all can see, the good fruits of freedom. Those fruits do not consist of materialistic monuments, which despots have always been able to exhibit. They consist of providing the simple things all men want -- the opportunity to think and worship as their conscience and reason dictate, to live in their homes without fear. To draw together in the intimacies of family life. To work in congenial tasks of their own choice, and to enjoy the fruits of their labor.

These are the most precious manifestations of freedom. And we have the power to defend and spread that freedom.

Freedom has not failed us. Surely, we shall not fail freedom. We shall be successful. But the task will not be easy or short.

Accomplishment will prove to be a journey, not a destination.

We who inherit and share the humane and religious culture of Europe must examine our collective conscience to determine if we are doing our best to meet the grave threat to our free institutions.

GUILTY OF MISCONCEPTIONS

I believe that we must rid ourselves of certain false habits of thought of which we have all been more or less guilty.

Among our misconceptions has been the belief that our free system was inherently more productive in all fields than the totalitarian system. Another has been that time was always on our side, irrespective of what we do with that time. Another has been that our nations, merely because they are sovereign, can each lead a separate, selfish national life, without coordination of planning and of effort.

Another is the assumption that the triumph of freedom over despotism is inevitable. As a countryman of mine once observed, "It takes a lot of hard work and sacrifice by a lot of people to bring about the inevitable."

It is imperative that, while the margin of power is still ours, we should make sure of policies and efforts that will always keep it so.

We are moving into an era in which vast physical forces cast a pall over our world. I believe our NATO governments stand ready to concert our efforts with each other -- and with other nations, including, of course, the Soviet Union if it were willing -- to bring these forces under rational control in the common interest of all humanity. Until that can be done, we must continue to cre-

ate and sustain within the free world the necessary strength to make certain of the common security. And all of us must have the assurance that that strength will be used to sustain peace and freedom.

We are in a fast-running current of the great stream of history. Heroic efforts will long be needed to steer the world toward true peace.

This is a high endeavor. But it is one which the free nations of the world can accomplish.

OTHERS SHARE GOALS

We of the Atlantic community are not alone. In other parts of the world many free nations have banded together in the exercise of the inherent right to collective security. Other free nations, relying on individual rather than collective security efforts, nevertheless share our purposes and our goals of freedom. A special responsibility does, however, rest upon the Atlantic community. Within our lands freedom first had its birth. It still waxes strong.

The members of our community need to feel an increasing responsibility to help other free peoples to attain for themselves relief from what has been for them an age-old blight of direct poverty. We have, as I have recalled, been parties to the grant of political liberty to hundreds of millions of people. But that bestowal could be a barren gift, and indeed one which could recoil against us, unless ways are found to help less developed countries to achieve an increasing welfare.

All of us have a vital stake in this sense of increasing sacrifice. None of us must shirk any needed sacrifice to make it possible.

The forces arrayed against us are formidable but not irresistible.

LIVE IN HOPE

The captive people of Eastern Europe have made it evident that patriotism survives and that they continue to live in the hope of recovering their proud and honorable traditions of national independence.

The Kremlin has publicly recognized the "contradictions" between the desires of the workers for better standards of living and the utilization by the state of colossal sums for military and capital developments. The Soviet current five-year plan has had to be abandoned. There is in process a decentralization of industry which will inevitably bring with it decentralization of power and of opinion.

With the passage of time, despotic government historically has suffered internal decay before it is apparent on the surface. Beneath a hard governmental exterior, love of freedom among all peoples still persists. It is a force that has never been indefinitely suppressed.

The industrial plans of the Soviet rulers require an ever-increasing number of finely trained minds. Such minds cannot be indefinitely subjected to thought-control, and to conformity, by the Communist or any other party.

Freer access to knowledge and fuller understanding are the internal forces that will more and more require recognition. Their effect will be the more noticeable if the existing order cannot feed on what appear to be external successes, and thus distract mass attention from the obvious failures of despotic rule.

There lies before the free nations a clear possibility of peaceful triumph. There is a noble strategy of victory -- not victory over any peoples, but victory for all peoples.

This is no reason for complacency; it is a reason why we should confidently and hopefully do what is required to carry out that strategy.

I have known the comradeship of men in arms from many nations joined in the defense of freedom. The sense of sharing moments of crisis and decision is a moving and a lasting one. Too often those moments come only in time of war. It would indeed be a tragedy if we could not, in waging peace, share the joy of common decision, common effort, and common sacrifice. There is no task so difficult, yet so imperative and so honorable.

It is in that spirit that we have come here, so that out of the reconciling and joining of our wills we shall renew our strength and press on to that peace, in freedom, which is our rightful heritage.

EISENHOWER, DULLES PLACE U.S. PROPOSALS BEFORE NATO COUNCIL

Following are the texts of Dec. 16 statements by President Eisenhower and Secretary of State John Foster Dulles to the North Atlantic Treaty Organization meeting at Paris, outlining United States proposals.

President Eisenhower

The text of President Eisenhower's statement:

It is a pleasure to meet with you again after our impressive opening ceremony earlier today. I shall not repeat here what I then said as to the spirit that should move us. I shall now seek to be somewhat more specific as to means for translating that spirit into positive action.

DISARMAMENT

The North Atlantic Treaty, as originally conceived, was essentially a collective defense organization and defense must under present circumstances continue to be a major aspect of our activities. We ought, however, always to make it abundantly evident that we will seek patiently and everlastingly to end the need for great military establishments. Our resolve will be to release large resources for the greater welfare of mankind.

We continue to consider our disarmament proposals of Aug. 29 as sound and firm. They were, as you know, developed after the fullest consultation in this council and prolonged negotiation with the Soviet Union. They have now received the overwhelming stamp of approval of the United Nations General Assembly.

We should leave no stone unturned in our search for an agreement that would end this appalling armaments race and at the same time assure the security of the free world. We should be flexible within limits fixed by prudence and self-preservation.

I suggest that our council might establish a technical advisory group to keep these matters under continuous study. It seems to me inevitable that the Soviet Union will itself come to realize the importance of stopping the nuclear arms race. This means stopping the production of nuclear weapons material as well as stopping nuclear experiments -- all under reliable safeguards -- and establishing a system which would exclude the risk of massive surprise attack.

GERMAN REUNIFICATION AND BERLIN

While we can hope for progress and while our London first-step disarmament proposals were offered without political conditions, we cannot ignore the fact that arms reduction has rarely occurred in the face of acute political tensions and of grave international injustices.

One such injustice afflicts deeply one of our NATO members, the Federal Republic of Germany. I should like to reiterate most solemnly our abiding determination that Germany shall be peacefully reunited in freedom. At the summit conference over two years ago this was formally and solemnly promised to us by Mr. Khrushchev and Mr. Bulganin. Unhappily, that promise has been repudiated at the cost of the international confidence which the Soviet rulers profess to desire.

Likewise, I cannot let this occasion pass without recalling our common concern over the status of Berlin. The clear rights there of the Western powers must be maintained. Any sign of Western weakness at this forward position could be misinterpreted with grievous consequences.

OUR DEFENSE POSTURE

If we are to be prepared for collective self-defense, we must of course do an adequate job. This will be difficult in a period of rapid scientific and technological advance which the Soviet Union is well prepared for. I consider, however, that, in its principles, NATO's defense planning continues to be valid. That, of course, must be under continuing study and review. Yet one indispensable element must be constant -- that is our resolution to use force, if necessary, for our self-defense.

This is our resolve:

Speaking for my own country, I assure you in the most solemn terms that the United States would come, at once and with all appropriate force, to the assistance of any NATO nation subjected to armed attack. This is the resolve of the United States -- of all parts and of all parties.

Equally, I do not doubt that each of your nations would similarly respond should the United States or another NATO member be attacked. This, then, is the core of our partnership -- an attack against one is an attack against all. In order to live in peace together, we are resolved to defend ourselves together if need be.

POLITICAL CONSULTATION

The United States shares the view that political consultation should be developed and broadened in this council. The United States supports the principles embodied in the "committee of three report" adopted a year ago. Since then the practice of political consultation has made marked progress.

Yet the record can and must be improved. The United States, for its part, intends to do that. We expect to keep our permanent representatives fully informed of all of our policies which could materially affect our associates here. When in the United States, he will attend and participate in meetings of our Cabinet and of the National Security Council. He will be privy to all the purposes of our Government.

It is, I think, generally accepted that the mandate to consult must be applied in accordance with a rule of reason. It is not necessarily the case that differences between two or three member states are always more readily resolved if debated around this council table. Sometimes more intimate and restricted negotiations and quicker responses will produce better results.

Also, there must be a capacity to react, within the limits of known policy, to what may be probing operations from the outside. If reaction is delayed, the consequences could be serious.

Nevertheless, there should be consultations habitually, within all practical limits. This will prevent, except in the most extreme emergency, any nation from being surprised. Fear of any nation becoming involved in great risks without notice will be minimized if consultation becomes an accepted and growing habit.

ECONOMIC COOPERATION IN NATO

The Soviet challenge is economic as well as military. They seek adherents to Communism through an intensive and effective campaign of trade and financial assistance. This campaign is directed against selected less-developed countries of key political importance. They use all economic means to penetrate these countries and subdue their freedom.

This is the challenge -- now what do we do?

It is true that many NATO countries have long been at work in this area, individually and jointly, through international organizations. Yet there is more to be done if we are to save our less fortunate friends from Soviet penetration and domination by these means. The time has come for an enlarged individual and cooperative effort to advance the development, trade and wellbeing of the less developed countries of the free world.

It is my earnest hope that NATO governments and other free governments will enlarge their efforts and cooperate in this important task. The United States is prepared to consider, sympathetically, proposals in this sense. The United States itself proposes to increase the economic resources which we can make available to the less-developed countries of the free world and to improve trade and financial conditions. We will propose to our Congress that our Development Loan Fund be increased, from the present \$300 million by an additional \$625 million. We will ask the Congress to increase the lending authority of the Export-Import Bank by an additional \$2 billion. We proposed and will participate in the expanded technical assistance program of the United Nations. We will also propose that the Congress extend our reciprocal trade agreements legislation for five years.

Together we of the free world will wage and win this struggle on the frontiers of human progress.

ENDURING NATURE OF ATLANTIC COMMUNITY

The North Atlantic Treaty Organization was created in response to a military threat. Yet NATO should not for all time be primarily a collective defense organization. We hope and believe that the time will come when its defense aspect will be minor and perhaps even unnecessary.

It has demonstrated, and we believe will increasingly demonstrate the importance of the closest association between the members of the Atlantic community. This association is a natural one. We have common traditions which have been passed on from generation to generation. We should continue to work together as a growing community and with increasing intimacy. We should so shape this association, and our respective parts in it, that it permanently serves to promote harmony not only between us, but also between ourselves and other peoples and areas of the world.

I should now like to ask the Secretary of State to complete our presentation.

Secretary Dulles

The Text of Secretary of State Dulles' statement:

Our purpose is peace and justice. But never have these been achieved anywhere without power to deter lawless persons who would violate the rights of others in order to enrich themselves.

Today, in the society of nations, there is special need for deterrent power as against the Soviet Union, whose rulers have repeatedly made manifest their willingness to resort to force and the threat of force to achieve their goal of worldwide domination.

NATO ATOMIC STOCKPILE SYSTEM

The major deterrent to Soviet aggression against NATO is the maintenance of a retaliatory power of such capacity as to convince the Soviets that such aggression would result in their own destruction.

This power rests in the United States Strategic Air Command and in other nuclear striking forces. In this respect we have superiority over the Soviet Union. As long-range missiles become available, they will play their part in maintaining the deterrent.

The shield of NATO ground, sea and air forces is also an integral part of the deterrent. Therefore, NATO should continue its efforts to strengthen the shield, which should increasingly include a nuclear capability. United States forces in Europe -- ground, sea and air -- now have such a capability and this capability is being extended to other NATO forces.

The United States has already programmed approximately three-quarters of a billion dollars for modern weapons -- most short-range missiles and aircraft -- for forces of our NATO allies.

Personnel of several NATO countries are increasingly being trained in the maintenance, operation and deployment of these weapons systems. In this connection, we endorse the NATO missile training center project.

It remains to assure that nuclear warheads will be readily available to NATO forces in event of hostilities. We have considered this subject most carefully since it was first proposed by the French Foreign Minister at Bonn last May.

The United States is prepared, if this council so wishes to participate in a NATO atomic stockpile. Within this stockpile system, nuclear warheads would be deployed under United States custody in accordance with NATO defensive planning and in agreement with the nations directly concerned.

In the event of hostilities, nuclear warheads would be released to the appropriate NATO supreme allied commander for employment by nuclear-capable NATO forces.

We believe that this arrangement meets NATO military requirements and insures that nuclear weapons can be employed promptly when needed.

INTERMEDIATE RANGE BALLISTIC MISSILES

If this council so desires and in order to strengthen NATO's deterrent power, the United States is prepared to make available to other NATO countries intermediate range ballistic missiles, for deployment in accordance with the plans of SACEUR. Nuclear warheads for these IRBMs will become a part of the NATO atomic stockpile system.

Such IRBM deployment would be subject to agreement between SACEUR and the countries directly concerned; and to agreement between each such country and the United States with respect to material, training and other necessary arrangements.

We expect to be able to deliver intermediate range missiles as soon as the NATO nations in which they would be deployed are ready to receive them.

COORDINATED PRODUCTION OF MODERN WEAPONS SYSTEMS

Several NATO nations have stressed the need for further cooperation in the field of development and production of modern weapons. We suggest that the council may desire to initiate in Europe a coordinated program of research, development, and production of a selected group of modern weapons systems, including intermediate range ballistic missiles.

We envisage the prompt initiation of such a program through a temporary NATO ad hoc group, consisting of highly qualified scientists, engineers and production experts who, in conjunction with NATO military authorities, would be responsible to the North Atlantic Council for:

1. Recommending an initial group of modern weapons systems suitable under NATO military planning for production in Europe.

2. Recommending in which countries should be the responsibility for development and production of specific weapons, through principal manufacturers and subcontractors for critical components. Thus, later improvement in the initial designs could be developed and produced in Europe under NATO supervision.

3. Recommending measures to provide a market for the weapons produced.

In this endeavor, appropriate pooling of talent, combining of resources, and sharing of research and development information should be selectively arranged. NATO nations having available technical data relating to the manufacture of such weapons systems could make such data available to other nations as required. The United States is willing to assist these endeavors and utilize its mutual weapons development program, sample weapons program and facilities assistance program to support this effort more directly.

While we plan to maintain our modern weapons productions base in the United States, the United States would seek ways of supporting the weapons base in Europe by procurement for our own forces as well as for our military assistance programs.

In order to assure adequate studies and planning in the field of weapons systems and to relate this program closely to our scientific endeavor in the military field, the United States supports the establishment of an appropriate permanent NATO mechanism for this purpose. This mechanism would operate in conjunction with NATO military authorities and the proposed NATO science committee.

FORCE CONTRIBUTIONS

Force contributions are a critical factor in carrying out the defensive strategy upon which we agreed last December in the political directive. NATO is now in the process of determining its force requirements to insure the capability to implement the approved strategic concept. It is clear that the defensive and retaliatory power of the NATO forces must be established at a level sufficient to meet the growing power of international communism.

There is need that each NATO partner do its utmost to meet the established NATO force requirements, including front line divisions. United States policy in this respect continues to be as stated by President Eisenhower on March 10, 1955. We will continue to contribute a fair share in maintaining and strengthening the collective forces of the Atlantic community.

The United States also expects to continue its military assistance program.

We are prepared, as I have stated to work with our allies to develop the capability for the employment of nuclear weapons. Within this approach, we believe that a mixed nuclear-conventional force is NATO's best posture.

Another ingredient of an effective NATO nuclear force should be a common body of knowledge about nuclear weapons and military doctrine for their employment to permit their confident and responsible use.

We believe that our NATO allies should share more information as to military nuclear matters. Broader understanding is needed as to the weapons themselves, their effects, and the present and prospective state of this still new military science. The legislative changes we are proposing to the United States Congress would permit the exchanges of information needed to accomplish this.

If we work from a common fund of knowledge and a common set of assumptions about the tremendous military force now available for our defense, we should be able better to develop plans for effective and discriminating use of nuclear weapons and will be more likely, in an emergency, to be of one mind as to the employment of this force.

LIAISON AMONG VARIOUS ALLIANCES

The challenge to which NATO responds is not confined to any particular area. It is worldwide. And NATO is not the only collective response. There are the Organization of American States, the Southeast Asia Treaty Organization and the Baghdad Pact.

There are also important bilateral and trilateral arrangements.

These pacts reinforce each other. For if war came in any area, it might not be possible to confine it to that area.

Each of these other associations has its own distinctive characteristics and origins. However, all of them constitute an exercise of what the United Nations charter calls the inherent right of collective self-defense.

The purpose is to help to establish security against aggression, and harmony as between nations. They are also designed to promote the economic, social and cultural welfare of their peoples.

The United States considers that it would be useful if these various regional groups should gain a better understanding of the problems and situations faced by each other.

An exchange of experience and of appreciation of the world political situation might be a first step. Accordingly, we suggest that the Secretary General and the North Atlantic Council should explore developing closer ties between the various collective defense organizations, if this is agreeable to all concerned.

We are not suggesting any merger of existing organizations, or any extension of the North Atlantic Treaty area. We merely propose that we explore ways whereby each nation that has invoked the collective defense principle should get the maximum information to enable it to contribute better to the common goal of global peace.

SPECIAL BRIEFINGS BY FOREIGN MINISTERS

The President has spoken of the importance which we attach to political consultations in NATO.

Obviously these consultations ought to take place primarily and regularly here in Paris within our duly constituted Council.

There may, however, be exceptional circumstances where the NATO governments could be more quickly and more fully informed if the foreign minister at one or another of our capital cities were to explain his government's policy or actions to the NATO ambassadors there. This could provide a useful background for further discussion in the permanent council.

So far as the United States is concerned, we would be ready in Washington to meet with the NATO ambassadors there with respect to any situation which seemed to lend itself best to that type of exceptional treatment as a supplement to, but not in derogation of, the functioning of the permanent representatives here in Paris.

SCIENTIFIC COOPERATION

Europe and the Atlantic community have been pioneers both in pure scientific research and in the application of the results of research to practical use. Continued vigorous growth of science and technology in our community is essential for our cultural and economic health and for our military strength. It is also the basis for the technical assistance for which other areas of the world look to us.

We believe that cooperation and a pooling of efforts are the keys to the vitality and expansion of scientific activity. At this

meeting we recommend that NATO formally recognize the important role that it must play on behalf of the Atlantic community and the Free World in stimulating the necessary cooperation and support of science.

To this end, we support the establishment of an over-all NATO science committee, responsible to the council, to commence its work as soon as possible. We urge also the appointment of a science adviser to the Secretary General.

Many valuable proposals for specific actions have been made by our various delegations. In addition, the reports of the NATO parliamentary conference and of the NATO scientific task force contain a number of well-thought-out recommendations.

The urgent task of the science committee and of the science adviser would be to review these many ideas and to make specific recommendations to the North Atlantic Council for action to increase scientific manpower and facilitate cooperation in research and exchange of military and civilian scientific personnel. Wherever possible of course, actions would be carried out through the mechanism of existing organizations such as the OEEC.

While formal action should, perhaps, await the review and recommendations of the proposed NATO science committee, I can give several examples of programs the United States is prepared to support. We would be prepared to participate in, and contribute to, an annual talent development program for 500 predoctoral and postdoctoral scientific fellowships (as recommended by the NATO parliamentary conference).

We would also assist in an expanded program of summer study institutes in Europe -- perhaps with the participation of teachers and students from friendly free world countries outside NATO. We are also ready to join in expanded programs for exchange and translation of scientific information.

This is a field where cooperation can surely bring rich rewards.

Atomic energy is one scientific area where the basis for cooperation is already built. I am gratified that the United States has agreements for cooperation with all interested NATO members. New institutions to promote peaceful uses of atomic energy are coming into being. I refer to the European Atomic Energy Community (known as Euratom), to the European Nuclear Energy Agency of the OEEC, and, of course, the International Atomic Energy Agency. We look forward to cooperation with these agencies.

In one important new area we are planning to seek necessary legislative authority to permit cooperation. I refer to the atomic submarine, which has proven its tremendous capabilities over thousands of miles of operation by the Nautilus and Seawolf. If the necessary legislation is obtained, we will be able to cooperate with interested members of NATO in the development, production, and fueling of nuclear propulsion and power plants for submarines and other military purposes. This action will also greatly facilitate cooperation in the promising field of nuclear merchant ship propulsion.

CONCLUSION

Mr. President, in making this United States presentation, we have inevitably spoken primarily of the contribution which the United States can make to the common effort. We do not, however, wish to close without expressing our appreciation for the contributions others are making. These we know involve sacrifice and, to some, seem to involve risk. In certain fields the contributions made by a small country are as important as those made by the largest.

In NATO, each of our nations makes its security dependent upon the effort of others. This creates a high responsibility of honor as between us. We can know that however high the price we pay under these conditions, it is a less price than we would have to pay if we each stood alone.

We are faced by those who, possessed of great power, seek by every means to divide us. They would like to be able to deal with us separately. So they use every means, whether it be inducement or threat, to disrupt our fellowship.

We are confident however that these disruptive efforts will fail and that we shall achieve, not only for ourselves but for all posterity, the immense gains which will flow from establishing, within the family of nations, the principle and practice of collective security.

PROSPECTS FOR SMALL BUSINESS HELP ARE POOR

Prospects are poor for any real help for small business from the 1958 session of Congress. This outlook represents quite a comedown for small business hopes since the high point of 1956. Both Democratic and Republican platforms that year endorsed tax relief and other measures to aid the Nation's estimated four million small businesses. (1956 Almanac, p. 772, 780)

The Cabinet Committee on Small Business Aug. 9, 1956, recommended a tax relief bill that would save small business \$600 million the first year and President Eisenhower promised to give it "favorable consideration."

By the end of 1956, however, Treasury Department officials had made plain the Administration's opposition to any tax change that would cause a substantial loss of revenue. The Senate March 27 rejected a series of amendments to HR 4090, extending corporate and excise taxes, designed to grant relief to small business. The only roll call came on an amendment proposed by Sen. J. W. Fulbright (D Ark.) that would have lowered tax rates on small corporations, and raised rates for medium-sized and large corporations, with no net loss of revenue. The Fulbright amendment was defeated 33-52 (D 28-15; R 5-37). (Weekly Report, p. 390, 394).

The only Congressional action in 1957 of direct benefit to small business was passage of S 2504, a bill to extend the life of the Small Business Administration until July 31, 1958. Even this was a disappointment to small business groups, which had urged making SBA a permanent part of Government. (Weekly Report, p. 967)

Tax Outlook

The prospects for tax relief in 1958 look even worse than they did in 1957. President Eisenhower July 15 wrote Chairman Jere Cooper (D Tenn.) of the House Ways and Means Committee: "It now appears that the excess of income over disbursements in the fiscal year 1958 will be so small that no action should be taken by the Congress at this time which will involve any substantial tax reductions for anyone." For that reason, the President said it would be "ill-advised" to put into effect the Cabinet Committee recommendation that the tax rate on the first \$25,000 of corporate income be cut from 30 percent to 20 percent.

Instead, he endorsed four minor changes that would "involve no more than a minimum loss of revenue." They were:

- 1. That businesses be allowed fast tax writeoffs on up to \$50,000 worth of used property a year, a right now available only on new property.
- 2. That corporations with 10 or fewer stockholders be given the option of being taxed as partnerships.
- 3. That the estate tax on investments in closely held business concerns be spread over a 10-year period to avoid the necessity of the family selling out its business.
- 4. That investors in small business stocks be given the right to deduct more than \$1,000 of losses from such investments on their personal income taxes.

Since the President wrote Cooper, Soviet advances in the missile field have forced an upward revision in defense spending estimates, further increasing the odds against tax cuts. Secretary of the Treasury Robert B. Anderson Nov. 21 told the House Small Business Committee "we would endorse" the four changes recommended by the President, but added: "I would not be in a position to support any additional recommendations at this time without further study." Anderson hinted that relief might be forthcoming if the economy slumped. He said: "Our attention will not be directed solely to revenue or the loss of revenue, but rather to the whole economic condition of the country, the stimulus that might be added to new business, to the expansion of business...."

Despite this outlook, both the Senate and House Small Business Committees have announced plans to formulate new tax relief bills early in 1958. A great number of such bills already are in print. They emphasize three approaches to the problem: a flat cut in the basic corporate tax rate from 30 percent to 20 percent; a sliding scale of corporate tax rates, benefiting small business but increasing taxes on other corporations; and tax incentives for investment in small businesses. A major drawback to these schemes is that their benefits would apply mainly to corporations, and only a small minority of small businesses have the corporate form of organization. Excise tax changes, on the other hand, would benefit all business, and there is strong support particularly for the repeal of the 3 percent excise tax on transportation costs. The tax issue will be decided before June 30, when corporate and excise tax rates again come up for renewal.

With the odds heavily weighted against tax relief, Congress may explore other ways of aiding small business in 1958. Some suggestions:

- **CREDIT BANKS** -- Proposals have been made (notably S 2160) to charter National Investment Companies to make loans and advance credit to small businesses which cannot obtain capital from commercial sources. These banks might be privately supported or make use of reserve funds of the Federal Reserve System. Democrats in Congress have urged such measures; the Federal Reserve is opposed to its funds being used for them; Treasury Secretary Anderson said only that the idea is "worthy of consideration."

- **SMALL BUSINESS ADMINISTRATION** -- Authorizing legislation for the SBA expires July 31. The House in 1957 passed a bill (HR 7693) to make SBA a permanent agency, expand its loan authority, liberalize the terms on which it can offer credit and free it from policy control of the Treasury and Commerce Departments. The Senate did not act on the bill in 1957, but it will be given high priority in 1958. (Weekly Report, p. 786)

George J. Burger, lobbyist for the National Federation of Independent Business, Dec. 7 told CQ his group would seek permanent status for SBA and "some form of positive tax relief." Top priority in 1958, Burger said, would go, not to any legislative matter, but to an effort to obtain "more activity in antitrust enforcement."

GOVERNORS' COMMITTEE ON RIGHTS

Governors of 12 states with anti-discrimination laws on employment Dec. 12 organized a standing Committee of Governors on Civil Rights, with Gov. G. Mennen Williams (D Mich.) as chairman. The group, organized at a one-day New York meeting sponsored by Williams and Gov. Averell Harriman (D N.Y.), includes one Republican, Gov. Vernon W. Thomson of Wisconsin. Democratic members include the Governors of Colorado, Connecticut, Massachusetts, Michigan, Minnesota, New Jersey, Oregon, Rhode Island, Pennsylvania and Washington.

The Committee issued a statement terming the President's Committee on Government Contracts under-budgeted, understaffed and too limited in its objectives. It also recommended establishment of regional offices. Maj. Gen. Cornelius E. Ryan, executive vice chairman of the President's group, which is the closest approximation to a fair employment practices organization, Dec. 14 said the Committee's objective "is as broad as it believes is consistent with the proper use of Federal authority, the elimination of discrimination where work is being done for the Federal Government." He added that it needed a smaller budget than some agencies because it was only an advisory group.

DEMOCRATS ON GOP

Attacks were directed at President Eisenhower, the Administration and the GOP in addresses by three Democrats -- Chairman Paul M. Butler of the National Committee, Sen. Lister Hill (Ala.) and Adlai E. Stevenson.

Butler, in a Dec. 13 address before an Indiana journalism fraternity, said the Nation was without a "fulltime President," and that a "large share of the blame for the mess we are in today" was caused by the "one-party press" in 1956. Hill, in a Dec. 13 prepared address before an Alabama Young Democrats group, said the President had given the country "the most derelict and incompetent administration in its history." Hill warned against any Democratic "splinter party" move, said it "might well insure the Republican party's continued control...." Stevenson, in a Dec. 16 Chicago speech before a division of the American Civil Liberties Union, blamed former Cabinet members George Humphrey and Charles E. Wilson for "ravages" to the Nation's missile program, and called for a Defense Department reorganization to "end the unseemly rivalries...."

SURVEY ON BENSON

A survey of 88 Republican state chairman and national committee members Dec. 14 indicated 47 approved retention of Secretary of Agriculture Ezra Taft Benson. Ten others said Benson should quit to bolster GOP strength in farm areas, but only two of these criticized his policies, the newspaper wire service study showed. Another 31 were non-committal or refused comment. Among those taking a definite stand, Benson was supported by an approximate 5-1 margin. (Weekly Report, p. 1287)

State Roundup

ARIZONA -- Sen. Barry Goldwater (R) Dec. 13 told the Executives Club of Chicago he would introduce "right to work" legislation in 1958 "regardless of the evident desire of the Secretary of Labor to attack the theory that a man's right to work is one of the most cherished of all of our rights."

CALIFORNIA -- Rep. Clair Engle (D) Dec. 12 told a Washington news conference Democratic chances were "excellent" in his state to capture both the Senate seat and the Governorship because Republicans were "split and sore at each other." Engle said he and two other aspirants for endorsement by the California Democratic Council in the Senate race had agreed to withdraw if the Council opposed them at its Jan. 10 meeting.

INDIANA -- Two GOP Congressmen, Rep. Charles A. Halleck and Sen. Homer E. Capehart Dec. 17 denounced the critical tactics of Gov. Harold W. Handley, front-running candidate to replace Sen. William E. Jenner, at a "closed" State Committee meeting inadvertently overheard by newsmen on a public address system. Capehart told Handley "all you are doing when you beat the brains out of the Eisenhower Administration is assuring the election of a Democratic President in 1960." Halleck said he had heard he was to be defeated, but "there are not enough Republicans to read anyone out of this party."

NEW YORK -- GOP leaders of the 37th District (Binghamton, Elmira) Dec. 17, by a 6-4 vote, named Howard Robison, Owego attorney, to run in a special Jan. 14 election for the unexpired term of Rep. Sterling Cole. The losing contender was John T. Calkins of Elmira, Cole's administrative assistant.... The district's Democratic leaders Dec. 17 named Francis P. Hogan, former Hornell mayor, as their candidate. Hogan, an assistant state industrial commissioner, lost to Cole in the 1956 election, receiving 28.3 percent of the vote to Cole's 71.7 percent. Cole resigned following his Oct. 4 appointment as Director-General of the International Atomic Energy Agency. (Weekly Report, p. 1181)

OHIO -- Sen. Frank J. Lausche (D) Dec. 13 reiterated that he would not be a candidate for Governor in 1958, said he had received no call from a group of Ohio Democrats who reportedly were to ask him to run.... Rep. John M. Vorys (R), who has represented the 12th District since 1938, Dec. 14 said he would not seek reelection in 1958.

PENNSYLVANIA -- The Democratic State Executive Committee Dec. 14 endorsed John H. Dent, state senate minority leader, to run for the House seat vacant since the Nov. 20 death of Rep. Augustine B. Kelley (D). He will oppose Herbert O. Morrison in the 21st District's special Jan. 21 election.... William S. Livengood Jr., former secretary of internal affairs, Dec. 14 announced his candidacy for the GOP gubernatorial nomination.

Pressures On Congress

AFL-CIO CONVENTION

The AFL-CIO Dec. 9, 10 and 11 adopted the following resolutions setting its legislative policy for the next two years. At its second convention at Atlantic City, N.J., it said it would urge:

- "Sizeable" wage increases, a shorter work week.
- A raise in the hourly minimum wage from \$1 to \$1.25; extension of coverage to about 9.5 million "low-paid" workers.
- Wage increases and a 35-hour work week for Federal employees.
- Increased protection against ill health and old age; establishment of medical and hospital benefits under the social security system.
- Extension of the Reciprocal Trade Agreements Act for a minimum of five years; authorization of United States' participation in the Organization for Trade Cooperation.
- A "realistic" program of Federal aid to education in the fields of public school construction, teachers' salaries and student scholarships.
- Increased Federal grants-in-aid for state and local welfare services.
- Reversal of the "tight-money" policy to make funds available, at lower interest rates, to home-owners, home-buyers and small businessmen.
- Overhauling of the Federal tax structure to provide a "more equitable basis" for raising revenue and strengthening of consumer buying power; raising personal income tax exemptions from \$600 to \$700.
- A national mortgage corporation to make available low-interest, long-term loans for construction of cooperative, non-profit rental and sales housing for moderate income families at a rate of at least 500,000 units yearly.

The AFL-CIO Dec. 12 voted to expel the 75,000-member Laundry Workers International Union for corrupt influences and put the suspended 25,000-member Distillery Rectifying and Wine Workers Union on probation, pending the union's efforts to "clean up" under the direction of an AFL-CIO monitor. The convention previously expelled the 1.4 million-member Teamsters Union and the 132,000-member Bakery and Confectionery Workers Union of America. (Weekly Report, p. 1307)

AFL-CIO President George Meany Dec. 12 granted a charter to a new bakers union, the American Bakery and Confectionery Workers International Union. Daniel E. Conway, a former vice president of the expelled union, was named temporary president and secretary-treasurer of the new bakers group.

George Meany and William F. Schnitzler were re-elected to two-year terms as AFL-CIO president and secretary-treasurer. The convention reelected 25 of 27 vice presidents who make up the federation's executive council. To fill executive council vacancies formerly filled by Herman Winter of the expelled Bakery Workers and John F. English of the expelled Teamsters Union, the convention elected President Peter T. Schoemann of the 200,000-member Plumbers and Pipefitters Union and President Paul L. Phillips of the 120,000-member United Papermakers and Paperworkers International Union.

FARM BUREAU CONVENTION

The American Farm Bureau Federation Dec. 9-15 held its 39th annual convention at Chicago. Farm Bureau President Charles B. Schuman Dec. 9 outlined the group's major farm policy goals for 1958 which were later adopted by the convention as resolutions. The convention urged Congress to:

- Discontinue the use of price supports as a means of fixing prices of basic commodities; use them only to safeguard against "extremely wide fluctuations."
- Withhold currently held stocks of farm products from the domestic market, but only after elimination of price fixing and Government storage programs has been assured.
- Permit domestic sales of surplus products only to prevent spoilage; equal quantities should be purchased to replace that going into domestic markets.
- Continue program of surplus disposal abroad under Public Law 480, 83rd Congress, as a temporary program until current stocks of the Commodity Credit Corp. are sold to foreign markets.
- Discontinue acreage allotments and marketing quotas as rapidly as possible.
- Change soil bank program so that it:
 - Encourages farmers to put entire farms in the conservation reserve.
 - Requires compliance for farmers desiring price supports.
 - Provides that land placed in the soil bank represent a reduction in crop acreage.
 - Provides maximum use of surplus commodities as incentive payments.
 - Provides a one-year contract term for retiring acreage from production.
 - Permits no harvesting or grazing on any soil bank land.
 - Removes existing limitations on payments to individuals, and uses actual per acre production figures as a basis for payment.

On non-farm issues, the Farm Bureau convention adopted the following resolutions urging Congress to:

- Extend the Reciprocal Trade Agreements Act with revisions to transfer authority to set final tariff policy from the President to Congress.
- Support United States participation in the Organization for Trade Cooperation.
- Oppose efforts to tax cooperatives on savings.
- Support the Mutual Security Program.
- Make unions subject to the antitrust laws; enact Federal right-to-work legislation.
- Oppose raising the minimum wage and its extension to agricultural employees.
- Oppose expanded Federal aid to education.
- Support the principle that state law is valid and enforceable unless a direct and positive conflict with Federal law exists.
- Support postal rate increases for second, third and fourth class mail.

Congressional Quiz

VACANT SEATS IN CONGRESS

There will be several vacant seats in the early days of the second session of the 85th Congress. What do you know about these vacancies and the procedures for filling them? Try for 5 points.

1. O--True or false: Vacancies in the House may be filled by the governor of the state in which they occur. (1 point)

A--False. According to the First Article of the Constitution, vacancies in the House must be filled by a special election.

2. O--One state had, until recently, no law empowering the governor to make an interim appointment to fill a Senate vacancy; was it: (a) Alabama; (b) New Mexico; (c) Wisconsin? (1 point)

A--(c). Gov. Vernon W. Thomson of Wisconsin Aug. 15 signed a bill to give the governor that power, but the measure did not affect the Aug. 27 special election to name a successor to the late Sen. Joseph R. McCarthy (R).

3. O--Although there currently are no vacancies in the Senate, four Republican Senators have announced they will not run for reelection in 1958. Name them. (4 points)

A--Sens. William E. Jenner (Ind.), William F. Knowland (Calif.), Edward Martin (Pa.) and H. Alexander Smith (N.J.). Sen. Frederick G. Payne (R Maine) Nov. 11, 1956, said he would not run for reelection but since has said he would reconsider his decision. Payne had a heart attack in 1956.

4. Q--A New York House Member recently retired from Congress to head the International Atomic Energy Agency. Was he: (a) Emanuel Celler; (b) Ludwig Teller; (c) Sterling Cole; (d) Averell Harriman? (1 point)

A--(c). Cole, a Republican from Bath, N.Y., served 11 full terms in the House and was the ranking House Republican on the Joint Atomic Energy Committee.

5. O--Two special elections were held in 1957 to fill vacant Senate seats. One was in Wisconsin, the other in: (a) California; (b) Texas; (c) Oklahoma? (1 point)

A--(b). Texas voters April 2 elected Ralph Yarborough (D) to fill the seat of former Sen. Price Daniel (D) who resigned to become governor. There were 19 active contestants in the race.

Check your Congressional Quarterly Almanacs for additional details and background information on the news of Congress appearing in the Weekly Reports. Published since 1944, the CQ Almanac is fully indexed and cross referenced.

The Week In Congress

Missile Muddle The successful firing of an Air Force ICBM did not lessen complaints or disagreement on policy by witnesses at Senate hearings on the satellite and missile programs. Army Secretary Brucker opposed proposals for an over-all civilian missile-satellite czar, said the Army should have responsibility for all ground launchings. Dr. Wernher von Braun suggested a national space agency, but the Army's ballistic missile chief opposed it. A top-rank Navy spokesman blamed the Defense Department for a budgetary "straight jacket" that "seriously hampered" missile development. (Page 1314)

Great Gap

The rising cost and gnawing uncertainty of national defense bring up an old problem -- the great gap between hope and reality concerning unification of the armed forces. Duplication and triplication of effort by the services have long plagued economizers in and out of Congress. The National Security Act was amended in 1949 to give the Secretary of Defense somewhat greater authority and to establish the post of Chairman of the Joint Chiefs of Staff. But the essentially independent role of the three military services was preserved. (Page 1315)

Farms

Farmers could take little comfort from the week's events in Washington. A Joint Economic subcommittee, opening hearings on agricultural policy, was told by a panel of economists that the real farm problem was "too many farmers." Remedies urged by the experts ranged from Government purchase of land currently planted to surplus crops to a large-scale shift of farmers to industrial jobs. Meanwhile Secretary of Agriculture Benson delivered another blow -- he announced that beginning in April, price supports for dairy products would drop to 75 percent of parity, the legal minimum. (Page 1313, 1317)

TVA Proposal

A new proposal is being developed to get the Government to dispose of the Tennessee Valley Authority and other huge river development projects it constructed. A group of Republican Senators led by Arthur V. Watkins (R Utah) plans to sponsor legislation saying the Government should sell these projects to residents of the area they serve. The bill undoubtedly will follow the pattern of the 1950 measure Watkins sponsored, which was directed primarily toward development of reclamation and flood control projects in the arid western states. But the bill is sure to face strong opposition. (Page 1311)

Rep. Cooper Dies

Rep. Jere Cooper (D Tenn.), Chairman of the House Ways and Means Committee and the Joint Committee on Internal Revenue Taxation, Dec. 18 died of a coronary thrombosis. Cooper had represented Tennessee's 8th District since 1929. He will be replaced as Ways and Means Committee Chairman by Rep. Wilbur Mills (D Ark.). (Page 1317)

Heat's Off

Congress is in no mood to enact any of the major legislative recommendations of the Commission on Government Security. A CQ survey of Capitol Hill opinion shows that after a lengthy period of intense national concern over both the equity and adequacy of internal security measures, the heat is off. Today the march of Soviet science stands as the symbol of national peril. The only security hearings now scheduled will be on an omnibus bill sponsored by Rep. Francis E. Walter (D Pa.), covering Commission proposals and other security law changes. (Page 1312)

Small Business

Long-promised relief for the Nation's four million small businesses will be postponed again by Congress in 1958. That is the reluctant conclusion of lobbyists, legislators and Administration officials. Treasury Secretary Anderson has endorsed the President's stand against any tax law changes involving "more than a minimum loss of revenue." Congress may, however, explore other means of helping small business in 1958, including creation of "credit banks" to supply expansion capital. The idea is backed by influential Democrats, but Federal Reserve officials have opposed it, and the Administration regards it with coolness. (Page 1324)